BUILDING A FUTURE READY IOWA

Beth Townsend, Director

February 16, 2021











BETH TOWNSEND
Director

APPOINTED BY GOV. REYNOLDS Confirmed by Iowa Senate in 2019



ROD A. ROBERTS Commissioner Division of Labor

APPOINTED BY
GOV. REYNOLDS
Confirmed by Iowa Senate
April 2019



JOE CORTESE II Commissioner Workers' Compensation

APPOINTED BY GOV.
BRANSTAD
Confirmed by Iowa Senate
April 2015



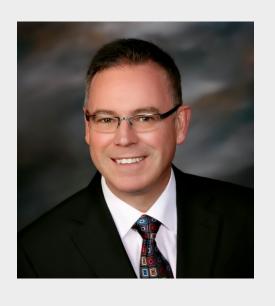
RYAN WEST Deputy Director

JOINED IWD IN JUNE 2009

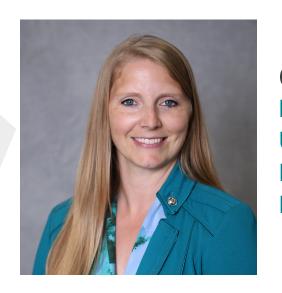


JON PEPPETTI Chief of Staff

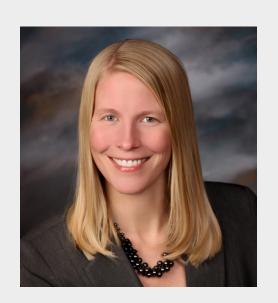
JOINED IWD IN MAY 2019



MICHAEL WITT
Division Administrator
American Job Centers IowaWORKS



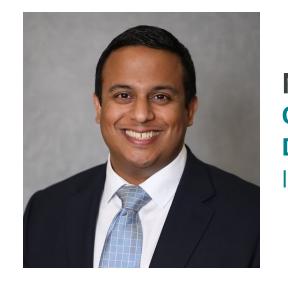
CHRISTINA STEEN
Division Administrator
Unemployment
Insurance & Labor
Market Information



BRENDA BOTEN

Division Administrator

Administrative Services



NEIL SHAH
Chief Information Officer
Division Administrator
Information Technology



MICHELLE MCNERTNEY
Division Administrator
Workforce Services



SCOTT PERKINS
Bureau Chief
Unemployment Insurance



DAVID STEEN
General Counsel Supervisor
Legislative Liaison

Impact of Pandemic on State Workforce Agencies

- "State Unemployment Agencies Could Take Months To Adapt To WH Proposal, Memos Show" National Public Radio, July 25, 2020
- "Underfunded, understaffed and under siege: Unemployment offices nationwide are struggling to do their jobs" Washington Post, April 6, 2020
- "The 'black hole' of unemployment benefits: Six months into the pandemic, some are still waiting for aid" CNBC, September 27, 2020
- "Coronavirus in Texas: State agency struggles with deluge of newly jobless" Statesmen, March 25, 2020
- 'Too sweet of a pie': Cybercriminals steal \$8B in Covid relief funds: States' systems are overburdened and antiquated and have been unable to stop much of the fraud."
 - Politico, October 12, 2020

Impact of Pandemic on State Workforce Agencies

- "Washington's unemployment fraud may have hit \$650 million; state recovers \$333 million" Seattle Times, June 4, 2020
- "California Employment Department admits paying as much as \$31 billion in unemployment funds to criminals" ABC Channel 7 News, January 25, 2021
- "AUDIT: Michigan may have paid out \$1.5 billion in fraudulent unemployment claims; director reportedly said it was not a "high priority"" Fox News 17, November 25, 2020
- "Consultant estimates Kansas lost \$700 million in unemployment fraud" KWCH News, February 5, 2021

IOWA

Unemployment Rate

Historic High:
April 2020
UNEMPLOYMENT RATE

11.0%

CURRENT UNEMPLOYMENT RATE December 2020

3rd

Lowest in the Nation (Tied)



DECEMBER 2020UNEMPLOYMENT RATE

3.1%

t+0.3%

JANUARY 2020 UNEMPLOYMENT RATE

2.8%



DECEMBER 2020UNEMPLOYED PERSONS

50,800

1+1,100

JANUARY 2020 UNEMPLOYED PERSONS

49,700



DECEMBER 2020
LABOR FORCE PARTICIPATION RATE

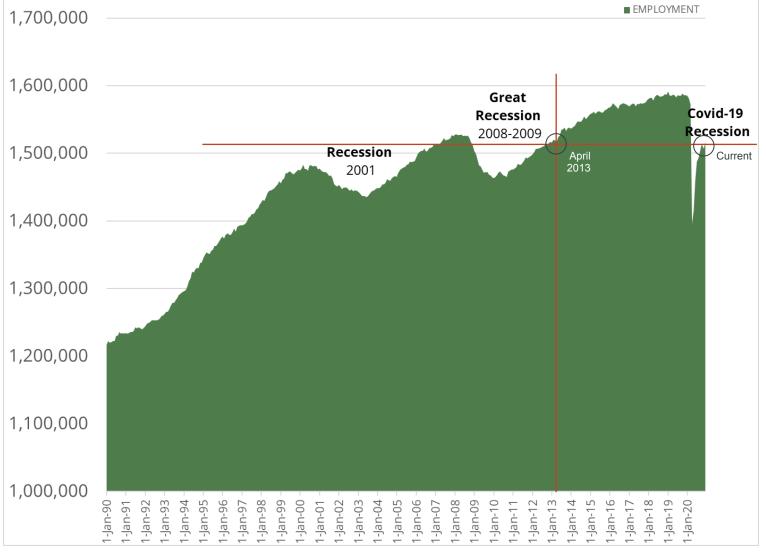
65.3%

1-5.7%

JANUARY 2020
LABOR FORCE PARTICIPATION RATE

71.0%

NON-FARM EMPLOYMENT LEVELS BY NON-FARM 1990 - 2020



APRIL 2020 LOWEST EMPLOYMENT LEVEL SINCE FEBRUARY 1997
APRIL 2013 CURRENT EMPLOYMENT IS AT APRIL 2013 LEVEL
121,000 JOBS ADDED SINCE APRIL 2020

Source: Current Employment Statistics (CES)

IOWA

Unemployment Insurance Claims by Day

MARCH 1, 2020 - JANUARY 20, 2021

TOTAL CLAIMS
MARCH 30, 2020 (PEAK)

16,063

OF THESE, % COVID-19 IDENTIFIED:

86.3%

TOTAL CLAIMS MARCH 1, 2020

425

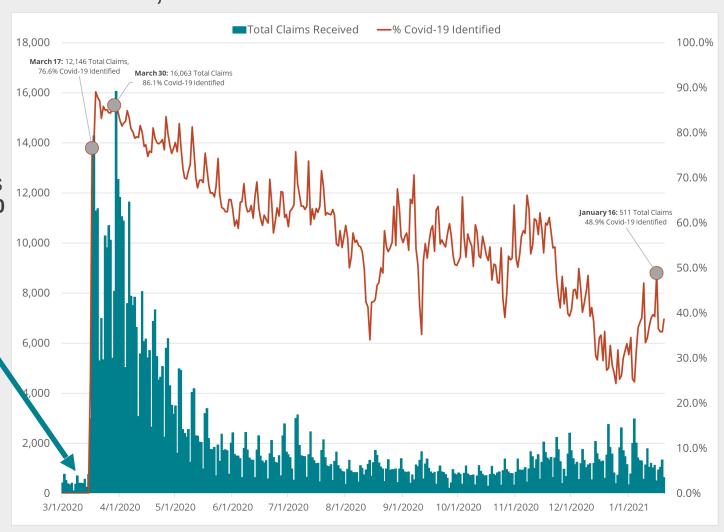
FROM MARCH 17, 2020 TO PRESENT (JANUARY 20,2021):

2,214

AVERAGE DAILY TOTAL CLAIMS

58.2%

AVERAGE DAILY PERCENTAGE OF CLAIMS THAT ARE COVID-19 IDENTIFIED



IOWA

Unemployment Insurance Weekly Claims

LAST 20 YEARS

HIGHEST WEEK OF INITIAL CLAIMS APRIL 4, 2020 HIGHEST WEEK OF CONTINUED CLAIMS MAY 9. 2020

64,194 189,643

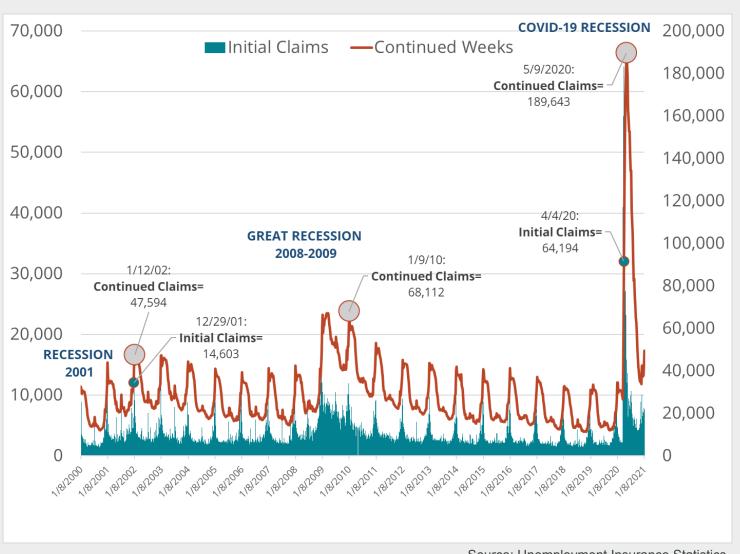
OVER THE PAST 20 YEARS:

8/10

OF **TOP 10 HIGHEST WEEKS** OF INITIAL CLAIMS WERE IN 2020

10/10

OF **TOP 10 HIGHEST WEEKS** OF CONTINUED CLAIMS
WERE IN 2020



2020 UNEMPLOYMENT INSURANCE BENEFITS PAID

By Program

Additional to Normal Weekly Benefits (FPUC, LWA)

\$1,785,555,733

Regular UI Benefits (UI, UCFE, UCX, VSW)

\$1,266,963,610

Additional Weeks of Benefits ____(PEUC, EB)

\$202,324,816

Ineligible for Regular UI (PUA)

\$170,085,895

TOTAL \$3,424,930,054

ADDITIONAL TO NORMAL WEEKLY BENEFITS

REGULAR BENEFITS

ADDITIONAL WEEKS OF BENEFITS

INELIGIBLE FOR REGULAR
UNEMPLOYMENT
INSURANCE

52.1%

37.0%

5.9%

5.0%

IWD Divisions - Highlights

- Labor
- Workers' Compensation
- American Job Centers
- Information Technology
- Unemployment Insurance
- Workforce Services

LABOR

DIVISION

AMUSEMENT RIDE INSPECTIONS

Inspections = 1,473 Self Inspections = 413

ATHLETIC COMMISSION

Licenses Issued = 102

ASBESTOS PERMIT & LICENSING

Licenses Issued = 559 Permits Issued = 91 Total = 650

BOILER INSPECTION

State Inspections = 2,474 Private Inspections = 16,112 Total Inspections = 18,586

CONTRACTOR REGISTRATION

Registrations Issued = 13,099 Citations Issued = 460

SECOND INJURY FUND

Amount Collected = \$654,355.43

WAGE ENFORCEMENT

Wage Claims Received = 544 Wage Claims Settled = 674

CHILD LABOR

Claims Closed = 35 Work Permits Issued = 7,368

ELEVATOR INSPECTION

Annual Inspections = 8,615
Re-inspections = 1,681
Other Inspections = 2,167
3rd Party Inspections = 2,185
3rd Party Re-Inspections = 718
Total = 15,843

IOWA OSHA CONSULTATION

Voluntary Protection Program (VPP)

Active Facilities = 42 Inactive Facilities = 0 New Facilities = 1

LABOR

DIVISION

IOWA OSHA CONSULTATION

Consultation Activities

Education Seminars = 65

Ten-Hour Classes = 6

Attendance = 158

Consultations Conducted = 360

Employees Covered = 36,549

Serious Hazards Identified = 1,590

IOWA OSHA ENFORCEMENT

Inspections

Fatality/Accident Inspections = 18

Complaint Inspections = 158

Programmed Inspections = 203

Referral Inspections = 246

Follow-Up Inspections = 0

Other Related Inspections = 85

Total Inspections = 710

IOWA OSHA ENFORCEMENT

Violations Issued

Serious Violations = 600

Willful Violations = 3

Repeat Violations = 4

Other Violations = 461

Failure To Abate Violations = 0

Total Violations = 1,068

Penalties Proposed

Serious Penalties = \$2,222,921

Willful Penalties = \$246,624

Repeat Penalties = \$66,899

Other Penalties = \$1,114,438

Failure To Abate Penalties = \$0

Total Penalties = \$3,650,882

Workers' Compensation Division

- The implementation of WCES, the new electronic filing, case management, trial scheduling and EDI system has revolutionized operation of the agency.
- The backlog for appeal decisions has been reduced from over a year to less than two months.
- The operation of DWC throughout the pandemic has been uninterrupted with teleworking by most of the staff and with trials being conducted via CourtCall videoconferencing system.

WORKERS' COMPENSATION DIVISION

Every year, **approximately 15,000 First Reports of Injury** are received and processed by Iowa Division of Workers' Compensation.

Fiscal Year 2020 updates:

- There were **201 litigated cases** that actually went to trial before Deputy Commissioners. Following every trial, the Deputy Commissioner who hears the case writes an Arbitration Decision.
- There were **3,111 Petitions** filed for work-related injuries which became litigated cases. This was a decrease of 1,082 petitions compared to the 4,193 petitions filed in FY19.

WORKERS' COMPENSATION DIVISION

 A total of 4,778 litigated cases were settled, with settlement documents individually reviewed and approved for each case.

 IDWC received and processed 450 Petitions for Alternate Medical Care, which are expedited proceedings contesting the selection of medical care for work-related injuries.

Workers' Compensation Commissioner issued 221
 appeal decisions in litigated cases, which is an average
 of approximately 18.4 appeal decisions per month.

American Job Centers Division

- IowaWORKS innovation in service delivery: Through Virtual Job Fairs, live virtual job clubs, Zoom webinars and online training, the IowaWORKS offices and partners are poised to strengthen Iowa's economic growth efforts into the future.
- Attracting talent through Home Base Iowa: Expanding the capability of Home Base Iowa is a key strategy in filing Iowa's talent gap and bringing new families home to Iowa.
- Local Area workforce delivery transformation: Aligning workforce delivery through the 9 new local Workforce Development areas in lowa continues to strengthen service delivery across the state.



Center Statistics

70,037 Individuals served in IowaWORKS programs over age 18

11,383 Individuals served over age 55

4,153 New Business Contacts (in person or phone only)

2,931 Veterans registered with IowaWORKS programs

20,301 Iowans enrolled in Iowa WORKS Training programs

86.239 Iowans provided additional training

www.lowaWORKS.gov

65,285

JOB OPENINGS ADVERTISED ON IOWAWORKS.GOV (Jan. 31, 2021)

Top Job Postings on IowaWORKS.gov

The Top 10 Job Postings in Iowa as of January 4, 2021

- 1. Registered Nurses 3,831
- 2. Heavy and Tractor-Trailer Truck Drivers 2,595
- 3. Nursing Assistants 1,157
- 4. Retail Salespersons 983
- First-Line Supervisors of Food Preparation and Serving Workers - 833
- Combined Food Preparation and Serving Workers,Including Fast Food 789
- 7. Customer Service Representatives 747
- 8. Licensed Practical and Licensed Vocational Nurses 715
- 9. Physicians and Surgeons, All Other 702
- 10 Driver/Sales Workers 509

Employers with the most postings on <u>lowaWORKS.gov</u>

- 1. US Census Bureau 2020
- 2. Casey's Inc.
- 3. TTEC
- 4. Green Hills Healthcare Center Inc.
- 5. Contemporary Services Corp.

- 6. McDonald's (SC&G)
- 7. UnityPoint Health
- 8. Panera, LLC
- 9. Dollar General Corporation
- 10. Principal Financial Group

Home Base lowa

BY THE NUMBERS

2,297+

Businesses pledging more than

10,000 jobs



College/Universities meeting CHAMPS criteria, which includes on-campus veteran resources, military transitional resources and financial considerations.



106 COMMUNITIES

offering local veteran incentives that compliment statewide incentives.

HomeBaselowa.gov Stats for Program Year 2020



- **592** Veteran Profiles Published 24% Increase
- 287 Business Subscribers added 14% increase
- Duration on site up **12.88**%
- Page Views up **10.52%**
- 136 success stories captured



October 2020 - Present

833 Active Registered Apprenticeship Programs

77 Number of New Registered Apprenticeship Programs

1,058 Number of New Apprentices (Oct. 1, 2020 - Jan. 19, 2021)

Total Number of Apprentices who Completed Registered Apprenticeship Programs

7,972 Total Number of Active Apprentices

APPRENTICESHIP



Division of Information Technology

- Our legacy IT systems remain under a tremendous amount of pressure, but we have a way forward with modernization.
- We implemented a model for remote working and delivering remote work support that enabled IWD to seamlessly provide benefits to lowans throughout the pandemic.
- We completely re-engineered our call center in A(mazon)WS a modern, cloud call center with interactive voice response.

Improvements

MODERNIZATION

- CARES Act Implementation across multiple programs:
 Pandemic Unemployment Assistance (PUA), Pandemic
 Emergency Unemployment Compensation (PEUC),
 Federal Pandemic Unemployment Compensation (FPUC),
 and Lost Wages Assistance (LWA).
- Upgraded the IWD UI Call Centers to Amazon Web Services in the cloud and leveraged voice bot AI technology to help manage calls and reduce call volumes.
- Continuation of upgrading the UI Tax System Infrastructure and framework.
- RFP process for UI benefits Modernization leading to vendor selection (contract negotiation pending finalization).

2020 TECHNOLOGY Improvements

MODERNIZATION

- Launched the IowaWORKS mobile application, which helps customers search for jobs and connect with IowaWORKS services.
- IT supported critical American Job Center office moves in Burlington, Davenport and Marshalltown.
- Continued scoping modernization of the Division of Labor licensing and permit system, AMANDA.
- Implemented e-payment solution for FOIA requests received at the agency.
- Virtual job platform Iowa launched a weekly virtual job club in October for participants in the RESEA program and have now expanded it to all job seekers.

Division of Unemployment Insurance

- UI claims processing has been an "all hands" effort at IWD since the beginning of the pandemic. The increased UI knowledge base across the agency (and with support from other agencies) is a positive.
- The volume of UI claims necessitated streamlining of internal processes which will pay dividends moving forward.
- Even with increased efficiencies, the continuing claims volume and required followon tasks will likely result in an increased UI claims workload for at least 18-24 months. Modernization is critical!

UNEMPLOYMENT INSURANCE

Misclassification

FY 2019



TOTAL UNREPORTED WAGES



MISCLASSIFIED WORKERS

THROUGH \$101,813,201

THROUGH **AUDITS** 6,047

OUTSIDE OF \$54,471,806

OUTSIDE OF AUDITS 354

\$156,285,007

TOTAL

6,401

FY 2020



TOTAL UNREPORTED WAGES



MISCLASSIFIED WORKERS*

*The Field Audit team was transitioned to all UI functions for 6 months of the year.

THROUGH \$64,008,095

THROUGH AUDITS 1,796

OUTSIDE OF \$6,363,668

OUTSIDE OF AUDITS 300

\$70,371,763

TOTAL

2,096

Information from July 2019 to June 2020

UNEMPLOYMENT INSURANCE

Fraud & Overpayment





FRAUD DEBT ESTABLISHED





AVERAGE FRAUD OVERPAYMENT

2017-2018	4,0)/2
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2,880 2018-2019

3,664

2017-2018

\$5,773,594.00

2017-2018

8.9%

2017-2018

\$1,417

2018-2019

\$5,362,332.00

2018-2019

2019-2020

8.5%

\$1,861

2019-2020

2018-2019

\$1,365

\$5,004,571.00

Division of Workforce Services

- The programs administered by the WFS Division are essential for driving the economic recovery from the pandemic these programs provide the training and education needed for job seekers to re-enter the workforce in the changing work landscape.
- WFS works in close coordination with the AJC Division and Local Workforce
 Development Boards to ensure these programs and services are available to all lowans.
- The SWDB supports the Governor's vision of a Future Ready Iowa by working to align and implement an effective workforce system across Iowa.

Workforce Services Division

The IWD Workforce Services Division (WFS) is responsible for the administration, oversight and compliance of the following formula-funded Federal programs:

- WIOA Title I Adult (- 17.9%)
- WIOA Title I Dislocated Worker (- 1.6%)
- WIOA Title I Youth (- 17.8%)
- WIOA Title III (Wagner-Peyser) (- 1.3%)
- Trade Adjustment Assistance Act (- 47.2%)
- Jobs for Veterans State Grant (JVSG) (- 1.0%)
- Work Opportunity Tax Credit (WOTC) (-4.3%)
- Foreign Labor Certification (FLC) (-8.0%)

Other programs administered by the WFS Division:

- WIOA National Dislocated Worker Grants
- Registered Apprenticeship
- PROMISE JOBS (TANF Employment & Training programming contract through DHS)

^{*} Percentages show the reduction in funding from Program Year (PY) 2018 to PY2020

State Workforce Development Board



LYNN SCHREDER
Chair
State Workforce
Development Board

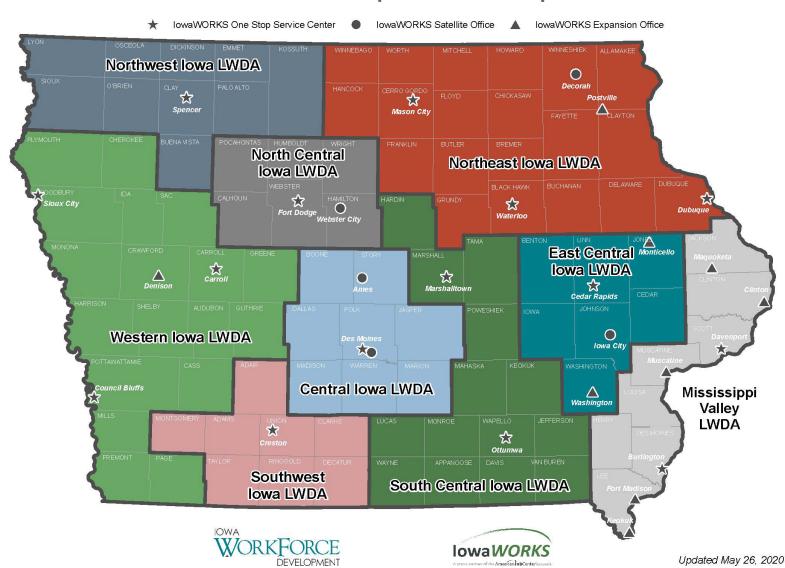
In January 2020, Governor Reynolds appointed Lynn Schreder, owner and President of KHI Solutions, Chair of the Iowa State Workforce Development Board (SWDB). Ms. Schreder is passionate about serving her fellow Iowans and has reinvigorated the SWDB.

2020 NOTEWORTHY ACHIEVEMENTS

- Developed and approved the 2020 WIOA Unified State Plan.
- Approved the consolidation of Local Workforce Development Areas (LWDAs) in Iowa - 9 LWDAs effective July 1, 2020.
- Approved and published State WIOA policies.

State Workforce Development Board

Local Workforce Development Area Map - 9 Areas





Future Ready Iowa

- The Coronavirus Relief Fund Grants funded 177 projects between August -November 2020, training hundreds of people impacted by the pandemic.
- There are a tremendous number of collaborative projects seeking support from FRI a perfect way to support public-private partnerships.
- There is a need to expand FRI programs to encompass community-based organizations and nonprofits helping lowans.

Future Ready Iowa Strategies



Last-Dollar Scholarship

For lowans seeking up to an associate's degree in a high-demand job at lowa colleges or universities.

Funded at \$13 million in FY21

On track to award all funds



Future Ready Iowa Grant Program

For lowans seeking a bachelor's degree who already earned more than half the credits for a major in a high-demand job.

Funded at \$1 million in FY21



Employer Innovation Fund/Child Care Challenge

For public/private partnerships to grow the regional talent pipeline.

Funded at \$1.2 million in FY21
All funds awarded in 2019

All three strategies incorporated in Future Ready Iowa Act signed April 4, 2018 and funded as provided in HF758, HF 546 and SF 608, signed May 2019.

Last-Dollar Scholarship

- Funds postsecondary credentials up to an associate's degree in highdemand occupations.
- Target audience: High School graduates and adults The scholarship can be used to upskill adult employees.
- Not income means tested Focus on providing more opportunities for lowans to gain necessary skills to fill high-demand jobs and meet lowa's workforce needs.
- Employers with open occupations on the high-demand list can leverage this funding for current employees.

LAST-DOLLAR SCHOLARSHIP



Last Dollar Scholarship

For lowans seeking up to an associates degree in a high-demand job at lowa colleges or universities.

Funded at \$13 million in FY20

FY20 Recipients 6,547

Scholarship Amount Provided \$14,279,173

LAST-DOLLAR SCHOLARSHIP



Last Dollar Scholarship

For lowans seeking up to an associates degree in a high-demand job at lowa colleges or universities.

Funded at \$13 million in FY21

FY21 Recipients

(1st Semester)

7,041

Scholarship Amount Provided

(1st Semester)

\$9,284,759

FUTURE READY IOWA SUMMER YOUTH INTERNSHIP PILOT PROJECT



Summer Youth Internship Pilot Project

- Coronavirus Impacted this program greatly.
- At risk youth ages (14-21 years).
- Develop soft skills, explore different career pathways, participate in a paid internship program.

Grants Awarded:

Dollars Granted:

\$206,109.73

Estimated Iowans Impacted: 87

CORONAVIRUS RELIEF FUND FUTURE READY IOWA WORKFORCE GRANTS



Four grant opportunities August 26 - November 2, 2020

- Employer Innovation Fund
- Registered Apprenticeship Incentive Grant (Small Businesses, Nonprofits, High Schools)
- Registered Apprenticeship Incentive Grant (Postsecondary Institutions, Healthcare)
- Earn and Learn Grant



- Funds spent by December 31, 2020.
- Recruitment of Iowans whose employment was affected by Coronavirus.
- Enhancing or creating safe training opportunities.
- February 28, 2021, for either completion or enrollment in programs.



Employer Innovation Fund

Employer Innovation Fund:

- Short-term training
- Participant wrap-around support services
- No match required
- Maximum request was \$100,000

Grants Awarded: 63

Initial Dollars Granted:

\$4,351,381.46

Estimated Iowans Impacted: 6,045



Registered Apprenticeship Incentive Grant

Small Business, Nonprofit, High Schools

RA Incentive Grants

- Create New Registered Apprenticeship Programs
- Enhance existing RA programs
- Standards approved and signed by Feb. 28, 2021
- Maximum request was \$50,000

Grants Awarded: 46

Initial Dollars Granted:

\$1,647,441.00

Estimated Iowans Impacted: 514



Registered Apprenticeship Incentive Grant

Postsecondary and Healthcare

RA Incentive Grants

- Create New Registered Apprenticeship Programs
- Enhance existing RA programs
- Standards approved and signed by Feb. 28
- Maximum request was \$250,000

Grants Awarded: 23

Initial Dollars Granted: \$4,958,837.00

Estimated Iowans Impacted: 533



Earn and Learn

Earn and Learn

- Participant wrap-around support services
- Maximum request was \$100,000

Grants Awarded: 45

Initial Dollars Granted:

\$5,852,478.00

Estimated Iowans Impacted: 1,759



FY20 Budget by Funding Source

83.06% Federal

16.94% State

Note - Federal funding does <u>not</u> include Federal Pandemic Assistance

2020 Special Contingency Fund Expenditures

Appropriations Field Offices

Expenditures

Unemployment^ \$120,660 **Workers Compensation*** \$226,307 IWD Administration~ \$294,691 Labor Market Information~ \$66,313 Information Technology~ \$0 Infrastructure~ \$89,562 **Future Ready Iowa*** \$76,992 **Home Base Iowa*** \$103,483

Budget

\$1,766,084

Total Appropriations/ Expenditures

\$2,744,092

^{*}The program is not federally funded.

[~]The work being performed is not an eligible expenditure to be charged to a federal grant.

[^] Dollars from the P&I fund must be spent on unemployment activities each year to keep from reverting all collections back to the Federal Government.

2021 Special Contingency Fund Expenditures - Projected

Appropriations

Field Offices

<u>Budget</u>

\$1,766,084

Expenditures

Unemployment^

Workers Compensation*

IWD Administration~

Labor Market Information~

Information Technology~

Infrastructure~

Future Ready Iowa*

Home Base Iowa*

Field Office Relocation+

\$127,594

\$0

\$406,698

\$110,483

\$75,000

\$86,282

\$62,583

\$320,227

\$0

\$2,954,951

Total Appropriations/ Expenditures

^{*}The program is not federally funded.

[~]The work being performed is not an eligible expenditure to be charged to a federal grant.

⁺ There is a shortfall in state/federal funding for work being performed.

[^] Dollars from the P&I fund must be spent on unemployment activities each year to keep from reverting all collections back to the Federal Government.

Governor's Recommendations

FY2022

13 State Accounting System

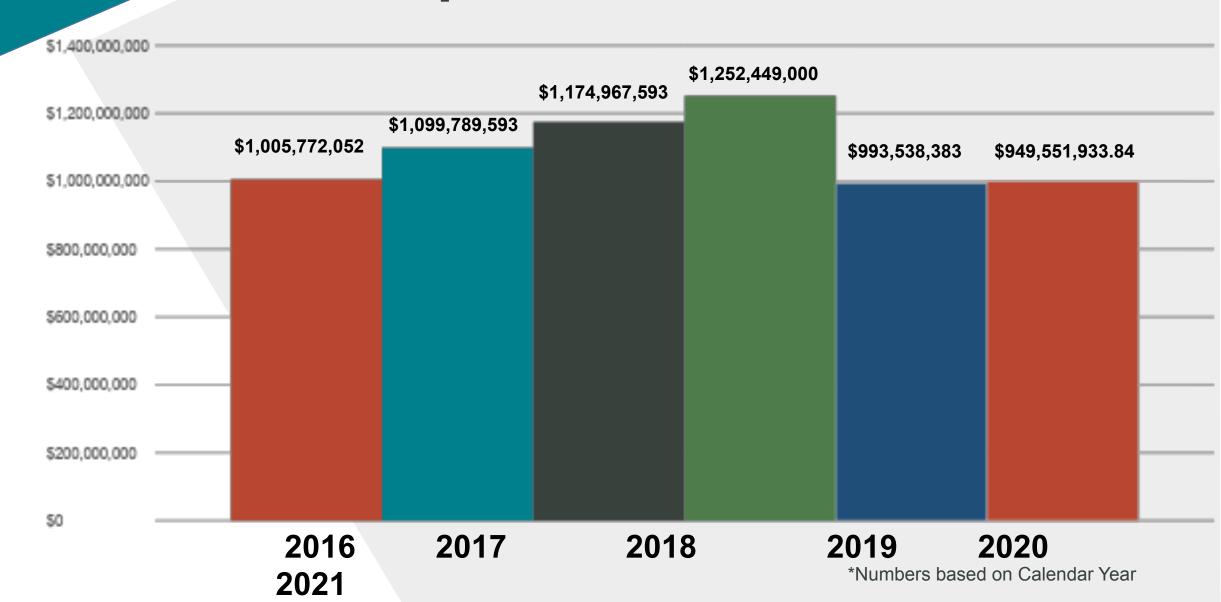
Workers' Compensation	\$3,321,044
Labor	\$3,491,252
Field Operations	\$6,675,650
Offender Re-Entry	\$387,158
Misclassification	\$379,631
	\$250,000
Summer Youth Pilot Program	\$250,000
Home Base Iowa	\$4,200,000
Employer Innovation Fund	• •
	\$228,822

Total General Fund Appropriation:

\$19,183,557

UNEMPLOYMENT

Compensation Fund



UNEMPLOYMENT

Trust Fund - 2020 by Month

\$1.2 bil

January 1

\$723.4 mil

June 25

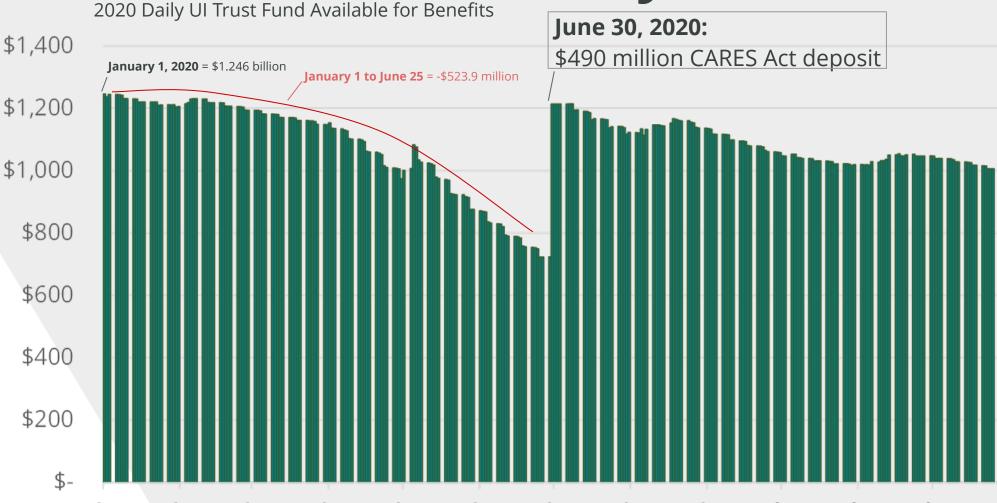
+ \$490 mil

on June 30 to:

\$1.2 bil

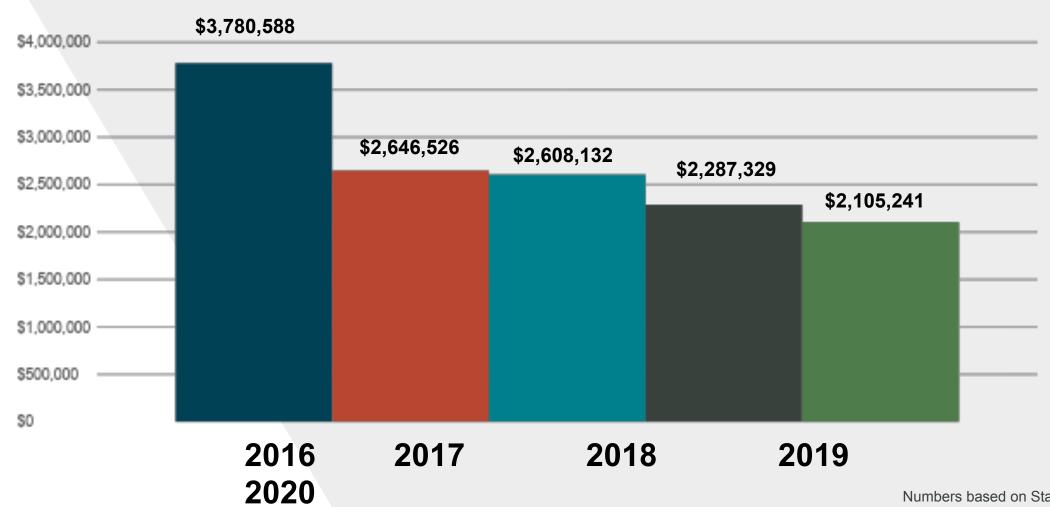
\$993.5 mil

December 31



SPECIAL EMPLOYMENT

Security Contingency Fund



NASWA 2021 State of the Workforce Report Released February 10, 2021 Dedication

We dedicate this report to a group of unsung heroes who have worked diligently through the pandemic: state workforce agency staff. They are the boots on the ground, partners in the community, and innovators striving to assist every unemployed worker. They endeavor daily to strengthen their state's workforce and struggling economy.

In spite of the many obstacles they face - the stress of the pandemic, an inability to quickly respond to requests because of dramatic increases in workload, as well as personal threats and attacks from the very communities they serve - these workforce agency staff continue in their dedication to public service. We applied and owe a debt of gratitude to these men and women.

